REMARKS FOR VADM THOMAS J. BARRETT, USCG (Ret.)
ACTING DEPUTY SECRETARY OF TRANSPORTATION AND
ADMINISTRATOR,
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
THE CHLORINE INSTITUTE
2007 ANNUAL MEETING
HOUSTON, TX
- - MARCH 20, 2007 - -

Thank you, Art *[Arthur Dungan - President, The Chlorine Institute]*, for that wonderful introduction and to each of you in the audience for having me here today.

Let me say how delighted I am to be here with you. The Bush Administration, Transportation Secretary Mary Peters, and our team at the Pipeline and Hazardous Materials Safety Administration (PHMSA) all enjoy having you as a very strong partner. Together, we are fulfilling our commitment to ensuring public safety, security, and environmental protection.

I am wearing two hats now as the Acting Deputy Secretary of Transportation in addition to my responsibilities as the PHMSA Administrator, so you have a strong advocate at DOT for the chlorine transportation safety and security mission that we both share.

PHMSA, along with other modal administrations at DOT, administers a comprehensive, nationwide program designed to protect our nation from risks to life, health, property, and the environment inherent in the commercial transportation of hazardous materials.

It is easy for the public to get the wrong impression when they hear the term "hazardous materials." In reality, we are talking about materials that are essential to our citizens and our economy. Hazardous materials fuel automobiles, heat and cool our homes and offices, and are used in farming, medical applications, manufacturing, mining, and other industrial processes.

Chlorine is a good example. It is a chemical building block in many products we use daily. Besides its major application in disinfecting water, chlorine is used in the production of pharmaceuticals, safety equipment, computers, automobiles and crop chemicals. In reading some of your literature, a startling fact jumped out at me – chlorine products comprise 45 percent of the nation's Gross Domestic Product! Your industry touches almost every facet of American life.

Yet we cannot lose sight of the fact that chlorine is extremely toxic when inhaled, and requires safe and secure handling during transportation, which is why it falls under PHMSA's regulations.

Overall, more than 3 billion tons of regulated hazardous materials – including explosive, poisonous, corrosive, flammable, and radioactive materials – are transported each year. These hazardous materials shipments frequently move through densely populated or sensitive areas where an incident could result in loss of life, serious injury, or significant environmental damage. So it is important that our communities as well as the workers engaged in hazardous materials commerce be able to count on the safe and secure transport of these shipments.

Large volumes of the hazmat we oversee moves by pipelines, out of the view of most Americans. In addition, we oversee the safe and secure shipment of over 1.2 million daily movements of hazardous materials through the air; on the railroads, seas and waterways; and over the highways. Many of these shipments require transfer between modes. Our programs increase the security of highway infrastructure and the intermodal transfer points that maintain the safety and security of these movements.

PHMSA applies a systems-based approach to assess and manage safety related risk, especially those risks that change over time. We utilize data to analyze results, make the best decisions, and deploy our attention and resources against the greatest risks – worst first.

While we take our regulatory oversight responsibilities at the Department of Transportation very seriously, we also recognize that regulation alone is not enough to fulfill our safety mission. We rely on our partners in safety – partners like The Chlorine Institute – to help us protect the public.

I want to acknowledge the good work of The Chlorine Institute's "Emergency Preparedness Issue Team" in their continuing efforts to moderate the consequences of hazmat incidents. Your proactive efforts to provide training materials for emergency responders who react to chlorine incidents is exactly the type of approach to transportation safety that PHMSA endorses. And it ties in closely with our own Departmental safety efforts in promoting hazmat training with the first responder community.

We are constantly seeking ways to improve our hazmat safety programs, and we emphasize doing so in a transparent manner, with the benefit of stakeholder input to produce practical approaches suited to the demands of an economy that depends on the efficient movement of hazardous materials.

I strongly encourage the members of The Chlorine Institute to submit your suggestions to PHMSA. We must focus and prioritize our efforts on preventing incidents that pose the greatest overall risk to the public, property, and the environment, and moderate the consequences of incidents that cannot be prevented.

When it comes to moving hazardous materials, safety and security are interrelated. The same security measures that reduce the risk of a wide range of threats to the transportation of chlorine and other types of hazardous materials also serve to enhance the goal of transporting them safely, and vice versa.

Your industry has long recognized the importance of taking a holistic approach to chlorine safety, security and stewardship. I applaud your efforts in developing the technical resources to lessen the risks posed by the potential hazards that could impact our communities, whatever the source.

We are also looking at these risks together in the federal government, and I would like to bring you up to speed on some important coordinated efforts between the Departments of Transportation and Homeland Security.

Recently, PHMSA and the Transportation Security Administration (TSA) established a joint working group to improve our interagency coordination on transportation security and safety matters, and to develop and advance plans for improving transportation security.

As you may know, we have signed an Annex to our Departments' Memorandum of Understanding (MOU) reflecting our agencies' shared commitment to a systems risk-based approach and to development of practical solutions.

With the support and encouragement of Congress, we moved ahead with the MOU Annex last summer. In the Annex, we pledged to build on, and not duplicate, the various security initiatives and efforts already underway. At the same time, we thought it was important to outline the key program elements and approaches necessary for effective Federal action, and to use that framework to identify specific areas for improvement.

We recognize that enhancing security starts with the data – understanding the problem and identifying any gaps in existing solutions, including gaps in understanding the risks and consequences of incidents. PHMSA's technical staff has knowledge about hazardous materials and transportation systems that can, and should, be brought to bear in the Federal effort to enhance security.

We are looking at ways to leverage the information that each agency possesses and collects so we can better understand all risks connected with hazardous materials transportation, and apply this information to our safety and security programs.

We also are looking for ways to improve standards, recognizing that solutions need to be tailored to risks and transportation needs, both of which will change over time.

Where new standards are appropriate, close coordination and consultation between the agencies – and active outreach to stakeholders – will help to ensure effective results. But enhancing transportation security does not necessarily mean more regulatory requirements.

Inspection and enforcement also present opportunities for improvement. PHMSA and TSA are looking for ways to maximize the use of Federal resources by cooperating in these efforts.

In addition, research and development are critical components of our coordinated Federal strategy. Our joint agency working group will put in place measures to ensure that we are making the best use of Federal resources by sharing research results and collaborating in the development of future projects.

Working with our DOT colleagues and TSA, we continue to consider ways to make hazardous materials more secure. One area we are looking at closely is the scope of our hazmat security plan requirements. In the three years since the requirements went into effect, we have gained experience evaluating security risks associated with specific hazardous materials and transportation environments and identifying appropriate measures to address those risks.

In response to two industry petitions for rulemaking, PHMSA recently initiated a project to refine the list of hazardous materials requiring security plans. The petitioners asked us to distinguish between hazardous materials that present a ***significant*** security risk while in transit, and the vast majority of hazardous materials that pose minimal security risks. We published the Advanced Notice of Proposed Rulemaking in September 2006, and hosted a public meeting in November. We expect to have a proposal by early summer.

We published a second proposed rulemaking of interest last December that would revise regulations applicable to hazmat transported by rail.

In that rulemaking, we propose to require rail carriers to compile annual data on specified shipments of hazmat. This data will be used to analyze safety and security risks along rail transportation routes, assess alternative routing options, and make routing decisions based on those assessments.

We also propose to clarify the current security plan requirements to address en route storage, delays in transit, delivery notification and additional security inspection requirements for hazmat shipments. Comments are currently being reviewed and evaluated, with the final rule expected by the end of this year.

Another issue of great interest to The Chlorine Institute involves loading and unloading. The security plan requires shippers and carriers to assess the risk of the hazmat they place into the transportation stream. We know, however, that loading and unloading, when the hazmat is not actually "in transportation," accounts for 27 percent of serious incidents directly, and may also be a factor in both en route and storage incidents. Causes can include overfilling, improper preparation for transportation, or a loose closure, component or device.

PHMSA is studying incidents involving loading and unloading of bulk shipments of hazardous materials. We want to develop data to help identify and target the risks for these

operations in the trucking and rail modes and better understand the impact of different operating environment on these incidents.

We support efforts to develop effective industry practices for safe loading and unloading of bulk hazmat containers. Additionally, PHMSA is working toward a consensus standard that will reduce incidents related to loading and unloading operations. We are encouraging broad representation from all parties that have an interest in enhancing safety, including various hazardous materials industry stakeholders, emergency responders, shippers, carriers, NTSB, FRA, FMCSA, OSHA, TSA and EPA. Today, I would like to personally invite The Chlorine Institute to help with this effort.

There is another Administration and DOT initiative I want to briefly bring to your attention this afternoon…, one that affects your businesses and the economy of the communities where you work.

We need to reduce congestion.

Transportation lies at the core of the freedom we enjoy as Americans – freedom to go where we want, when we want, and the freedom to live and work where we choose. All told, traffic congestion costs businesses billions of dollars each year in wasted time and fuel. If you add schedule changes, buffer time requirements, substitute deliveries, and lost customers to the total, the costs climb higher still. Congestion is affecting your companies and activities at a time when our economy is more powerful and productive than ever before. Congestion is also harmful to our environment.

It will take innovative approaches to reduce congestion in both the short and long term, and that is what DOT is, and will be, promoting. We are targeting traffic tie-ups in many forms: metropolitan area congestion, congestion along major corridors, congestion at our largest border crossings and at our busiest ports…, and congestion in our skies.

One way you can help is to ensure that your chlorine manufacturing, distribution and transportation methods, and best practices, remain as efficient and reliable as possible.

Congestion increases the risk of accidents and undermines our safety efforts. As we eliminate bottlenecks, we improve the ability to make sure your industry can deliver products to your customers in a timely and efficient manner. Transportation costs are reduced, which is good for the bottom line.

The Department of Transportation and PHMSA both stand ready, and willing, to work with you. We are proud to be your partners in hazmat safety. We offer our capability to address the public's need for safe hazardous materials transportation, as a regulator and an advocate.

Thank you again for having me today.

###